

ORIGINAL

BEFORE THE

Federal Communications Commission

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WASHINGTON, D.C. 20554

JUL 30 1995

FEDERAL COMMUNICATIONS COMMISSION

In the Matter of)

Replacement of Part 90 by)
 Part 88 to Revise the Private)
 Land Mobile Radio Services and)
 Modify the Policies Governing)
 Them)

PR Docket No. 92-235

To: The Commission

REPLY COMMENTS
 OF
PANHANDLE EASTERN CORPORATION

Panhandle Eastern Corporation ("Panhandle"), by its attorneys and pursuant to Section 1.415 of the Rules and Regulations of the Federal Communications Commission ("Commission" or "FCC"), hereby submits these Reply Comments in response to views expressed in the initial Comments of parties responding to the Commission's proposal to rechannelize the frequency band below 512 MHz and revise its Private Land Mobile Radio Service rules.^{1/}

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I. PRELIMINARY STATEMENT

1. Panhandle Eastern Corporation, through four interstate pipeline subsidiaries, owns and operates one of the nations largest natural gas transmission networks.^{2/} The company is involved predominantly in one business -- providing interstate natural gas transportation and related services which are subject to significant regulatory oversight under the auspices of the Federal Energy Regulatory Commission ("FERC") pursuant to the Natural Gas Act and other statutes.

2. Until recently, interstate pipelines such as Panhandle Eastern Corporation's subsidiaries, were predominantly wholesalers of natural gas. Pipelines

[REDACTED]

in the interstate markets for natural gas and natural gas services. Specifically, Order No. 636 requires pipelines to "unbundle", or separate the service components that previously comprised their wholesaling activities. One result is that traditional pipeline customers may now arrange for their own gas supply purchasing and aggregation. They merely utilize the pipeline system as a delivery conduit.

3. During the proceeding that ultimately concluded in the issuance of Order No. 636, one participant analogized the proposed rules with driving a car. This party's concern was that, without providing interstate pipelines the ability to control their day-to-day operations, the proposed rules could result in one hundred hands on the steering wheel. In issuing the final rule, the FERC recognized the need for pipelines to continue exercising operational control of their systems and provided flexible options to pipelines and their customers so that reliability and system integrity would not be jeopardized. However, one new area of

service which would be accessible via a personal computer and telecommunications.^{3/} Thus, real-time information is a new super-critical facet of the interstate pipeline business in the Order No. 636 world. This information is not only necessary to expedite daily transactions but is also required for effective operations of the system.

4. Reliable two-way land mobile radio communications are therefore essential in almost every phase of the natural gas industry. Safe and efficient operation of the extensive pipeline gathering systems and long-distance gas transmission pipelines would not be possible without dependable mobile radio communications. Even in the marketing and distribution of this energy source, mobile radio continues to play an important role in the transfer of gas at city gates. In addition to the strictly mobile radio requirements of the Panhandle pipelines, 173 MHz operational-fixed assignments are also employed to provide some of the data necessary to create the bulletin board information mandated by Order No. 636. These assignments are also impacted by this proceeding.

^{3/} Actually, many pipelines had already established electronic interfaces for customer activity. Order No. 636 established new requirements for such electronic interfaces to facilitate compliance with other areas of the order.

5. The petroleum and natural gas industries were pioneers in the use of two-way mobile radio for industrial applications. All four of Panhandle's pipeline transmission units have continued to use mobile radio frequency channels from the band 40-50 MHz that were initially assigned for their use decades ago. In recent years, some two-way mobile radio communications requirements have been met by other than traditional private systems. Even though use of private systems may be supplemented in some areas with cellular and Specialized Mobile Radio (SMR) systems, and may be complemented in the future with personal communications systems, there remains a very critical requirement for privately-owned and operated two-way mobile radio systems.

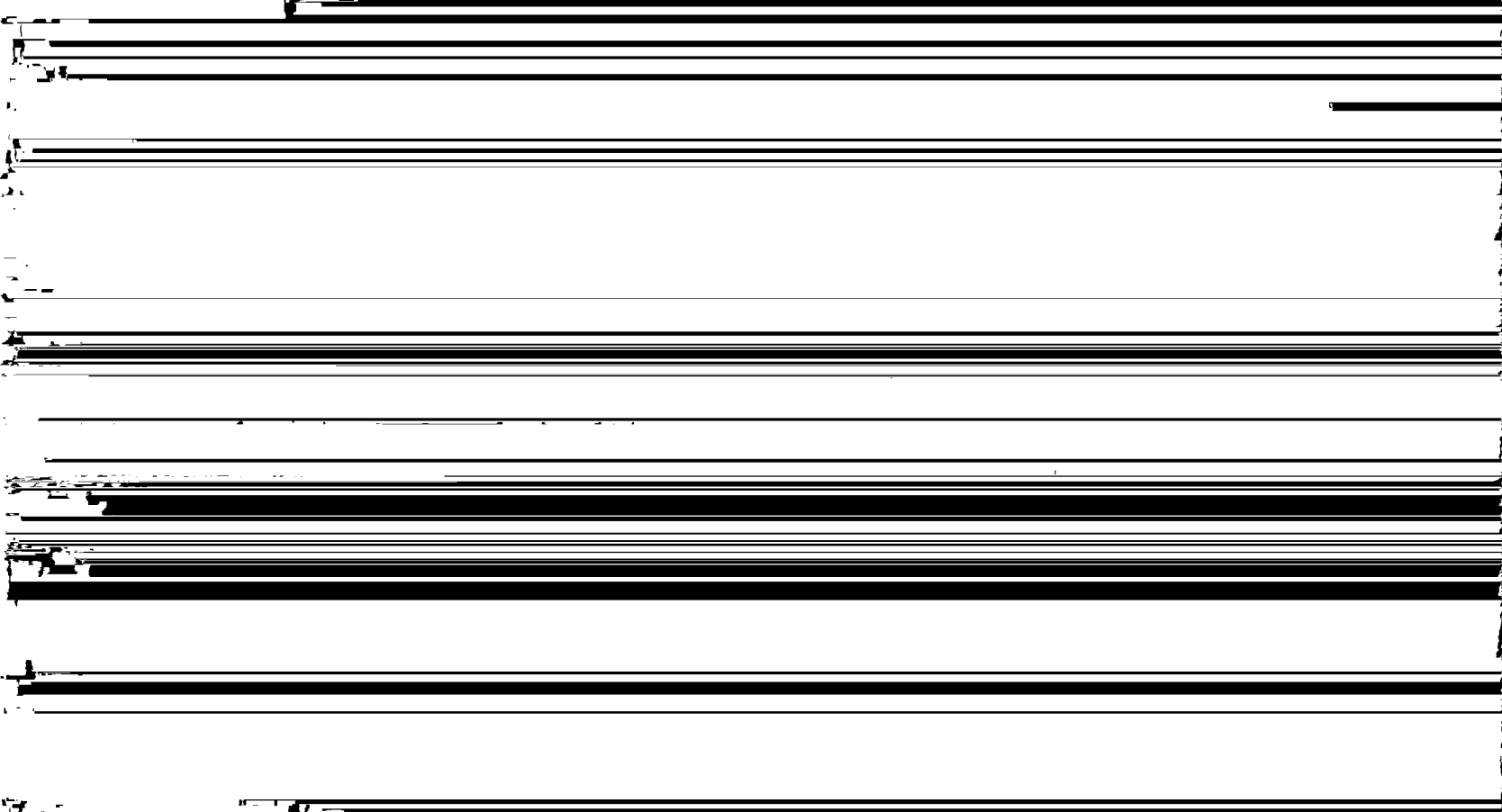
6. Panhandle is excited about the prospects for enhanced spectrum efficiency that will result from the introduction of narrowband, digital technology in the Private Land Mobile Radio Services. Panhandle supports, in large part, adoption of the Commission's proposed rule changes, but seeks to ensure that the Commission's rules remain flexible enough to allow licensees to voluntarily make investments in new narrowband equipment in advance of any equipment conversion schedule adopted in this proceeding. Panhandle also urges the Commission to develop regulations that will not only promote spectrum efficiency,

but will also be adaptable enough to encompass the various types of systems in use today, and the changing needs of licensees. In light of its interests and concerns, Panhandle is pleased to submit the following Reply Comments.

II. REPLY COMMENTS

A. The Commission's Regulations Must Be Adaptable to Meet the Varying Needs of Industrial Licensees

5. The majority of the Commenters in this proceeding understandably urged caution in setting the transition schedule to narrowband channels so as to allow licensees to



schedule to do so without undue regulatory burdens. For instance, Panhandle is seriously considering replacement of existing low band mobile radio systems with UHF 12.5 kHz facilities at three of its business units which could commence prior to the adoption of final rules in this proceeding. This would require the filing of applications for modified authorization. It is anticipated that these applications may have to be accompanied by request for waivers of the Commission's rules to accommodate greater transmitter powers and antenna heights than now permitted on the UHF 12.5 kHz offset channels. If the Commission's rules or policies do not allow licensees like Panhandle to voluntarily upgrade to narrowband systems, the Commission could be faced with a multitude of requests for rule waivers seeking such assignments.

6. Additionally, Panhandle joins the American Petroleum Institute and other commenters in opposing adoption of the Commission's proposed Effective Radiated Power (ERP) and Antenna Height Above Average Terrain (HAAT) limits because they are too restrictive and do not allow sufficient flexibility for exceptions without seeking waiver of the proposed regulations.^{5/} Panhandle supports

^{5/} See API at 24.

reasonable ERP/HAAT levels. However, rather than inundate the Commission with waiver requests, Panhandle joins those commenters supporting the Land Mobile Communications Council's proposed Table approach for determining ERP/HAAT. Even with the Table approach, Panhandle urges the Commission to include in the proposed Part 88 an efficient procedure to secure exceptions to the Tables for those applicants and licensees requiring greater ERP/HAAT than generally permitted. Natural gas users require balanced systems that frequently must be engineered. Their largely rural operational requirements do not necessarily fit standardized radii apparently contemplated by the Commission's ERP/HAAT proposal.

7. Finally, Panhandle supports the concept of exclusive use overlay (EUO) to obtain channel exclusivity but, like several commenters, believes that the loading requirements as proposed are too inflexible and should not serve as the only eligibility standard.^{6/} Under the Commission's proposed criteria for wide-area systems, loading is determined by counting the total number of mobile units and control stations operating in the wide-area

^{6/} See API at 11, 35; American Automobile Association at 28-29; GEC-Marconi Communications, Inc. at 2; PowerSpectrum Inc. at 7; SEA, Inc. at 6; Mitchell Energy & Development Corp. at 5; and The E.F. Johnson Company at 15.

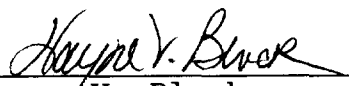
system, with respect to the total number of base station frequencies assigned to the system. See Proposed Rule Section 88.277. This method is inadequate for wide-area ribbon-type systems as many other factors affect a licensee's need for exclusivity such as traffic volumes, actual coverage areas, system geographic location, and

latitude in determining their timetable for converting their equipment to the new standards. Additionally, Panhandle requests that the Commission provide exceptions to the ERP/HAAT Table to allow for some deviations, and to adopt a more flexible criteria for determining EUO eligibility. Such modifications will be consistent with the Commission's goals, and will recognize that licensees have different and unique operational needs.

WHEREFORE, THE PREMISES CONSIDERED, Panhandle Eastern Corporation respectfully submits the foregoing Reply Comments and urges the Federal Communications Commission to proceed in this matter in a manner fully consistent with the views expressed herein.

Respectfully Submitted,

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